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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Stabilization and Conservation Service

THE 1967 FEED GRAIN PROGRAM

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A general explanation prepared especially for Agricultural  
Stabilization and Conservation Committeemen

With the help of feed grain producers, feed grain surpluses have been reduced from 85 million tons in 1960 to about 47 million tons in 1966, a 45 percent reduction.

Supply and demand are in good balance. But by October 1967, supplies are expected to be down around 30 million tons. This is 15 to 20 million tons below what is considered to be a comfortable reserve. For this reason, we'll need to plant about 12 to 15 million acres more feed grains than we raised in 1966. This means we'll need to divert only 15 to 18 million feed grain acres to other uses in 1967. As in the past, the 1967 feed grain program is entirely voluntary. Producers with a corn or grain sorghum base may take part in the program and become eligible for diversion payments, price-support payments, and price-support loans.

The program is designed to:

1. Continue the improvement of farm income.

2. Assure livestock prices at a level fair to producers and consumers.

3. Develop our export potential.

4. Maintain adequate but not excessive reserves.

Major program changes:

1. Only corn and grain sorghum are included in the 1967 feed grain program.

2. Barley (including malting barley) is not included in the program. However, the barley loan rate has been increased from 80 to 90 cents per bushel on the entire production.

3. Higher loan rates for corn and grain sorghum.

4. Elimination of voluntary diversion for payment, except on small farms, which may earn diversion payments higher than in 1966.



5. No diversion payment for farms with feed grain bases over 25 acres. Diversion for payment above the minimum 20 percent to qualify as a cooperator does not apply, except that farms with feed grain bases of 26 to 125 acres can request reduction of the base to 25 acres for one year, plant no feed grains, not substitute between wheat and feed grains, and receive diversion payment for diverting 25 acres to conserving use.
6. Higher projected yields - about 3 bushels per acre for corn, 1.3 bushels for grain sorghum, national average - to reflect upward trends in yields nationally.
7. In 1967, for the first time, advance price-support payments will be made available to all producers.

These are key points in the 1967 voluntary feed grain program:

1. To take part in the program, a producer agrees to take out of production at least 20 percent of his total feed grain base and comply with other program provisions.
2. Only those taking part are eligible for price-support payments and price-support loans on their corn or grain sorghum produced in 1967.
3. Diversion payments, where applicable, will be made on qualifying acreage. The payments are based on the farm's projected yield for 1967 and the support price in the county where the farm is located.
4. Price-support payment rates are figured by multiplying the farm's projected yield by 30 cents a bushel for corn, and 29.68 cents a bushel for grain sorghum. The same price-support payment rates per bushel will apply to all participating farms regardless of the State or county in which they are located.
5. Price-support payments are limited to the acres planted up to one-half the total feed grain base.
6. Acreage equal to the acres signed up to be diverted plus the farm's conserving base acreage are to be devoted to conserving uses.
7. Producers who fail to fully carry out their declared diversion intentions may be subject to substantial deductions from payments otherwise earned.

Advantages to participants:

1. Higher price-support loans will be available for the entire 1967 production of corn and grain sorghum.
2. Price-support payments will be made for acres planted up to 50 percent of the total feed grain base.





3. An advance payment will be available upon request.

#### PRODUCER DECLARATION OF INTENTION

ASCS county offices will have forms on which producers may declare their intention to take part in the program during the signup period which begins on or before February 6, 1967 and ends March 3, 1967.

From information previously supplied by producers, ASC county committees have determined corn and grain sorghum base acreages - and the total feed grain base acreage. Projected farm yields and diversion rates of payment have also been determined, and producers will receive a notice of these determinations. This notice doesn't constitute a signup. Producers who want to take part must still file a declaration of intention to take part in the program with the ASCS county office.

#### PERMITTED ACRES OF FEED GRAINS

Each participating farm will have a total permitted acreage of feed grains - corn and grain sorghum.

After the farm operator has decided how many acres of his feed grain base he will take out of production, that acreage is subtracted from his total farm feed grain base to obtain the acreage of feed grains permitted under his agreement.

The permitted acreage is the largest total acreage of corn and grain sorghum that may be produced on a participating farm unless feed grains are substituted for wheat on farms taking part in both the feed grain program and the wheat program.

#### THE FARM CONSERVING BASE ACREAGE

For each farm, the ASC county committee has determined a conserving base acreage and each farm operator will be notified of this base. Cropland acres diverted to conservation uses under the 1967 feed grain program are to be in addition to the farm's established conserving base and any acreage diverted to conservation use under other Federal programs.

#### MINIMUM DIVERSION - ALL PARTICIPATING FARMS

For the farmer to be eligible for any program benefits, the smallest acreage to be diverted to an approved conservation use is 20 percent of the total farm feed grain base.

#### MAXIMUM DIVERSION

If the farm feed grain base is 25 acres or less, the base becomes the largest acreage that can be diverted.

If the feed grain base is more than 25 acres, the largest acreage that can be diverted is 20 percent of the base; except that, if the feed grain base is 26 acres or more but not in excess of 125 acres, the operator may, upon request to





the ASC county committee, have the 1967 base temporarily adjusted to 25 acres so that the 25 acres may be diverted for payment. Under this option, no feed grains may be produced on the farm and there can be no substitution between wheat and feed grains.

#### ELIGIBILITY FOR PROGRAM BENEFITS IN 1967

To qualify for 1967 program benefits on corn and grain sorghum, producers will:

1. Sign up for the 1967 program with the ASCS county office during the signup period.
2. Carry out the intended diversion as stated at the time of signup.
3. Devote the acres taken out of feed grain production (acres diverted) plus an acreage equal to the conserving base to approved conservation uses.
4. Stay within the feed grain base on all other farms which the producer owns or in which he, his wife, or minor children have an interest.

**SUPPORT PRICES** Producers are eligible for price-support payments and price-support loans on their corn or grain sorghum produced

The total price support for 1967 for feed grains is in two parts - the loan rate and the price-support payment rate.

The national average loan rate for corn has been increased from \$1.00 to \$1.05 per bushel, the price-support payment rate retained at 30 cents per bushel, making a total (support price) of \$1.35 a bushel on the projected production of 50 percent of the farm's base acreage.

For grain sorghum, the national average loan rate has been increased from \$1.52 to \$1.61 per hundredweight, and the price-support payment rate remains 53 cents per hundredweight (29.68 cents per bushel), making a total (support price) of \$2.14 per hundredweight on the projected production of 50 percent of the farm's base acreage.

The above loan rates are calculated for each county in the same manner as county loan rates have been determined in the past. The price-support payment rates are the same in all counties.

#### DIVERSION RATES

On farms with total feed grain bases of 25 acres or less, a producer may divert for payment an acreage equal to at least 20 percent of the base or any greater acreage up to the entire base.

The per acre rate of payment for the first 20 percent of the base will represent 40 percent of the regularly announced diversion rate for the crop underplanted.

Diversion of acreage in excess of the minimum of 20 percent of the total base will be at the regular diversion rate for the crop underplanted. A downward adjustment will be made in the acreage for payment to compensate for the lower



rate on the minimum acreage in lieu of applying both rates on the Intention to Participate and Payment Application forms.

(For example: For a farm diverting the entire base of 20 acres, the payment will be computed on 17.6 acres which is the equivalent of computing 4 acres at the 40 percent rate and 16 acres at the regular rate.)

#### PRICE-SUPPORT PAYMENTS

The price-support payment will be made on an acreage up to 50 percent of the total feed grain base to all participants in the program who plant feed grains for harvest, and will be made regardless of the use made of the grain. Producers can sell or feed the grain and still receive payment.

For purposes of the price-support payment, a participant who is signed up for the feed grain program and who plants at least 90 percent of his maximum acreage eligible for price-support payment will be considered as having planted his entire acreage eligible for payment.

Soybeans may be planted for harvest in lieu of corn or grain sorghum and qualify for price-support payment.

#### LAND ELIGIBLE FOR DIVERSION

Generally, land may be designated as diverted acreage if it meets one of the following conditions:

1. Has been intensively cultivated in one of the years 1963, 1964, 1965, or 1966.
2. Has been devoted to a hay crop all during the 1963-66 period in a normal rotation pattern and is equal in productivity to the intensively-cultivated land on the farm.
3. Designated as diverted acreage under previous cotton, feed grain, or wheat stabilization programs, except such designated land as has been planted to trees, used for water storage, or could not be expected to be used for the production of the crop(s) being diverted because of its physical condition or other reason.

#### USE OF DIVERTED ACRES

The acreage diverted from the production of feed grains under the program is to be devoted to approved conservation use. Erosion, weeds, rodents, and insects are also to be controlled on diverted acres.

Grazing of diverted acres will be possible during winter months. In approved disaster areas, grazing during summer months may be authorized by the ASC county committee at a reduced diversion payment rate.





## CONSERVATION USES

Diverted acreage may be devoted to the following conservation uses:

1. Permanent-type or rotation cover of grasses and legumes.
2. Temporary cover of grasses and legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other use as approved for the area.

Each ASCS county office has a list of conservation uses that have been approved for the county.

## PARTICIPATION IN THE AGRICULTURAL CONSERVATION PROGRAM AND THE GREAT PLAINS CONSERVATION PROGRAM

Participating in the 1967 feed grain program will not prevent a farmer from applying for assistance under the Agricultural Conservation Program or the Great Plains Conservation Program in establishing conservation uses on diverted acreage.

The ASC county committee may approve ACP cost-shares on diverted acres. This assistance is not guaranteed. Farmers interested in receiving assistance under either program should consult their county representatives.

## SUBSTITUTION OF WHEAT FOR FEED GRAINS OR FEED GRAINS FOR WHEAT

Producers who have signed up to participate in the wheat and feed grain programs and otherwise comply with each program may substitute feed grains for wheat, or wheat for feed grains, within the total acreages permitted under both programs.

The permitted acreage can then be planted to one crop or split between the various crops in any percentage the producer desires. Total production of each crop becomes eligible for price-support loan.

Producers on farms with a feed grain base of 25 acres or less who substitute feed grain for wheat within the total permitted acreage of wheat and feed grain will find the payments otherwise earned under the programs reduced for each acre thus substituted.

On larger base farms, which are not eligible for diversion payments, wheat may be substituted for feed grain or feed grain for wheat within the total permitted acreage without any loss in payments, so long as the acreage planted to a feed grain is as much as 50 percent of the feed grain base and at least 35 percent of the wheat allotment is devoted to wheat.

## SUBSTITUTION OF WHEAT FOR BARLEY AND OAT-RYE

In addition to substituting wheat for feed grains, a producer who has an oat-rye or barley base established for his farm may substitute wheat on his barley and oat-rye base acreage. Producers who elect to use the barley or oat-rye provision





have to be participants in both the wheat and feed grain programs if there is a feed grain base established for the farm.

Even though a barley or oat-rye base has been approved for a farm, the provision will not apply to the farm if the acreage devoted to corn and grain sorghum exceeds the feed grain permitted acres or if the excess wheat option is adopted.

#### FAILURE TO CARRY OUT INTENTIONS

Failure to fully carry out the intentions as included in the signup agreement can result in a substantial deduction from the payments otherwise earned.

Producing more acres of feed grains than the permitted acres, within the allowable variation, will result in a deduction from the payment otherwise earned amounting to one and one-half times the county loan rate applied to the yield per acre for the farm for the acres in excess of the permitted acres.

For example: On a farm with a 100-acre feed grain base (all corn) the operator signed up to divert 20 acres leaving a permitted acreage of feed grains (corn) of 80 acres. The price-support loan rate for the county is \$1.05. The average yield is 70 bushels. The operator devoted 20 acres to conserving uses in addition to the farm conserving base, but grew 82 acres of corn — two more than the permitted acres. The per-acre deduction in this case would be \$1.05 times 1.5 times 70 = \$110.25 per acre. With two acres excess, the total deduction would be 2 times \$110.25 = \$220.50.

#### MEASUREMENT SERVICE AVAILABLE

Farmers who are participating in the feed grain program may request measurement of acreage intended to be planted and intended for diversion prior to the planting season. Such measurement will help assure full accomplishment intended at the time of signup. Cost of this service may be paid in cash or may be deducted from payments earned by participation in the program.

#### MAKING PAYMENTS

Each participating feed grain producer has a choice of receiving any payments earned as a certificate that may be redeemed in grain or as a sight draft, cashable at any bank.

One-half of the diversion and price-support payments may be made at signup time if requested by the participant.

#### DIVISION OF PAYMENTS

ASC county committees have the responsibility to satisfy themselves that division of the diversion payment is fair. The diversion payment should be divided by agreement based upon each producer's contribution to the reduction. The price-support payment will be divided among producers as they share in the 1967 crop, unless a different division can be justified and is approved by the ASC State committee.



## PRODUCERS WITH AN INTEREST IN MORE THAN ONE FARM

A producer with an interest in more than one farm may participate in the program on one farm and receive program benefits provided the acreage devoted to feed grains does not exceed the total feed grain base on any other farm in which he, his wife, or minor children have an interest.

### TO PARTICIPATE

To take part in the 1967 feed grain program, producers must complete and file an intention to participate with the ASCS county office not later than the final signup date.

After this form is filed, producers then have the responsibility of (1) diverting acreage from corn or grain in total to the extent indicated or allowed by substitution; (2) designating the acreage of land to be diverted and establishing approved conservation on that land; (3) maintaining the conservation base acreage on the farm; and (4) not exceeding the total feed grain base on any other farms.

If substitution provisions are to be used, the farmer must also fully comply with the wheat program.

Intentions to participate may be changed only during the signup period.

(This explanation is provided to help in the general understanding of the 1967 feed grain program. It does not replace official instructions and regulations applicable to individual farm situations.)

